

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA**

IN RE SANDRIDGE ENERGY, INC.
SHAREHOLDER DERIVATIVE
LITIGATION

Case No. CIV-13-102-W
Relating to All Derivative Actions

**SHAREHOLDER DALE HEFNER'S REPLY IN
FURTHER SUPPORT OF HIS CONTINGENT MOTION
FOR ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES**

Dale Hefner, as a shareholder of SandRidge,¹ opposes the partial Settlement proposed in this matter by the Settling Parties. *See* Doc. 334. The Federal Plaintiffs have not properly invoked this Court's subject matter jurisdiction. Hefner also respectfully submits that the Settlement is procedurally and fundamentally flawed and thus should be rejected. However, in the event that the Court proceeds to find that the Settlement confers a substantial benefit to SandRidge, Hefner and his counsel have requested reasonable attorneys' fees and expenses, reflecting both the value they conferred to SandRidge, as demonstrated in the Settlement, and the benefits conferred by Hefner's objections. *See* Doc. 329.

Hefner's Counsel are aware of only one set of objections to the Hefner Fee Application – specifically, the opposition filed by the so-called "independent directors" (hereafter referred to as the "Director Defendants"). The Director Defendants' brief poses objections to a payment of fees to Hefner's Counsel that are adequately rebutted by facts and those arguments made in Hefner's Fee Application.² However, the Director Defendants make an assertion raising a new matter that merits this reply brief. LCvR7.1(i). The Director Defendants assert that Hefner created wasteful and duplicative

¹ Unless otherwise defined, capitalized terms used herein shall have the same meaning ascribed in the Stipulation of Settlement (Doc. 301-1), and Hefner's Contingent Motion for Attorneys' Fees and Reimbursement of Expenses ("Hefner Fee Application") (Doc. 329).

² As a threshold matter, the Director Defendants have not stated grounds to deny Hefner's Counsel reasonable fees and expenses to the extent Hefner's objections confer a benefit to SandRidge or otherwise help the Court in assessing the Settlement. *See* Doc. 329 at 21-23.

litigation. *See* Doc. 333 at 1, 2. This accusation largely rests on the false premise that Hefner could have "chosen" to join the other plaintiffs in this action. *Id.* As addressed in the State Action, Hefner's citizenship is not diverse of all the defendants. Doc. 330-3 at 5; Declaration of George C. Aguilar, ¶¶5-6, *Hefner v. Ward*, No. CJ-2013-63 (Okla. Dist.Ct.–Okla. Cnty. Apr. 19, 2013) (without exhibits), attached hereto as Exhibit 19.³ At the same time, Hefner did not – and still does not – believe there was a valid federal claim that he could assert on behalf of SandRidge. Doc. 330-3 at 5. Indeed, the Federal Plaintiffs ultimately abandoned the federal claim on which they partially relied for jurisdiction in their initial consolidated complaint. *Compare* Doc. 71, ¶¶9, 255-61, *with* Doc. 142, ¶17; Doc. 301 at 3-4 (noting the amended consolidated complaint did not reallege "claims under the Exchange Act").

All told, the inefficiency argument is irrelevant to the fee analysis and is clearly an attempt to confuse the record and unfairly discredit Hefner and his counsel.

CONCLUSION

In the event this Court, exercising valid jurisdiction over this matter, approves the Settlement, Hefner requests that his counsel be awarded reasonable fees and expenses for the substantial benefits they have helped confer to SandRidge.

³ As stated in the declaration of Hefner's Counsel, Hefner is a resident and citizen of Texas, and defendants Brewer and Gilliland are believed to also be residents and citizens of Texas.

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s/ George C. Aguilar

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CERTIFICATE OF SERVICE

I hereby certify that on December 11, 2015, I electronically transmitted the attached document to the Clerk of the Court for filing using the ECF system. Based on the records currently on file, the Clerk of the Court will transmit a Notice of Electronic Filing to the following ECF registrants:

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